



DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
1000 NAVY PENTAGON  
WASHINGTON, DC 20350-1000

SECNAVINST 7043.5B  
ASN(M&RA)  
April 18, 2002

SECNAV INSTRUCTION 7043.5B

From: Secretary of the Navy

Subj: NONAPPROPRIATED FUND (NAF) PROCUREMENT POLICY

Ref: (a) DoD Directive 4105.67 of 2 May 01  
(b) DoD Instruction 4105.71 of 26 Feb 01  
(c) DoD Directive 5000.1 of 4 Jan 01  
(d) DoD Instruction 5000.2 of 23 Oct 00

1. **Purpose**. To establish nonappropriated fund (NAF) procurement policy within the Department of the Navy (DON).

2. **Cancellation**. SECNAVINST 7043.5A.

3. **Applicability**. This instruction applies to all activities of the DON procuring with NAFs.

4. **Policy**. It is the DON policy that all NAF procurements shall be accomplished in accordance with references (a) and (b).  
Additionally:

a. NAF activities are encouraged to follow the general guidance provided in reference (c); however, references (c) and (d) do not apply to procurements of Information Technology using nonappropriated funds.

b. Contracting for NAF-funded construction projects shall be accomplished by any Department of Defense (DoD) or federal government component having construction authority. This authority shall be exercised in accordance with existing policies, executive orders and laws whose directives are directly applicable to NAF procurements as specified in reference (b). Additionally, NAF-funded construction projects are subject to the requirements of the Davis-Bacon Act.

c. To avoid proliferation of contracting authorities at the installation level, NAF activities not having contracting authority should direct their procurements (except for construction, see paragraph b. above) wherever feasible and practicable through a local, regional, or Headquarters NAF procurement office. If a NAF procurement office is not accessible, the services of an appropriated fund (APF) procurement office may be used. The APF procurement office shall use NAF procurement procedures when exercising acquisition authority for NAF authorized procurements.

d. NAF activities will use the Government-wide purchase card or other commercial credit card for non-resale items and services procured with NAF when appropriate and cost effective.

5. **Responsibilities**

a. The Chief of Naval Operations; Commandant of the Marine Corps; Commander, Navy Personnel Command; Superintendent, United States Naval Academy; Commander, Naval Supply Systems Command; and the Commander, Military Sealift Command are appointed NAF contracting officers. This authority may be re-delegated by these designated program managers.

b. NAF program managers shall establish procurement authorities, policies and procedures in accordance with references (a) and (b) and this instruction.

6. **Action**. All DON NAF Instrumentalities shall comply with the provisions of this Instruction.

William A. Navas, Jr.  
Assistant Secretary of the Navy  
(Manpower and Reserve Affairs)

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